



## INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050

Phone 502-564-1461 – FAX 502-564-1464

### *Fraud Statistics/Convictions Activity*

*June 2009*

#### Fraud Statistics

	<u>Month</u>	<u>YTD</u>
Total Referrals Received.....	102	544
Closed Referrals.....	75	451
Open Cases (Investigations-includes prior years)		240
Assigned Cases (Investigations).....	7	52
Closed Cases (Investigations).....	5	31
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	1	7
Charges (1 felony).....	1	30
Convictions (3 felonies, 5 misdemeanors).....	8	45
Restitution Ordered..... \$	6,198.00	\$ 699,218.31

#### *Convictions Activity*

**Michelle O. Buckley** – On or about 8/18 and 9/10/08, Buckley presented to Monumental Life Insurance Company, oral statements as part of, or in support of, a claim for payment or other benefits pursuant to an insurance policy, knowing that the statements contained false, incomplete, or misleading information concerning facts material to the claim, conferring a benefit unto herself of \$1,630.03. On 4/10/09, Buckley was charged with one felony count of fraudulent insurance acts in Boone District Court. On 5/15/09, she pled guilty to the amended misdemeanor charge of criminal attempt to fraudulent insurance acts and was sentenced to 365 days conditionally discharged for two years; was ordered to pay court costs of \$154.00, and restitution in the amount of \$1,630.03 which had previously been paid. She also surrendered her insurance license.

**Charles Thomas Cox** – On or about 6/16/05, Cox faxed a document that purported to evidence that he had workers' compensation insurance coverage at Cox Machinery, when in fact no such insurance coverage was in effect. On 2/18/09, Cox was charged with one felony count of fraudulent insurance acts in Garrard District Court. On 5/11/09, he entered a guilty plea and was sentenced to six months in jail probated for 12 months. He was ordered to pay court costs of \$130.00, \$20.00 Court Facility Fee, \$.50 Law Library Fee, \$2.50 Attorney Tax Fee, and a fine in the amount of \$500.00 for investigative expenses to the Fraud Division.

**Branden V. Crowdus** - On or about 8/18 and 9/10/08, Crowdus presented to Monumental Life Insurance Company, oral statements as part of, or in support of, a claim for payment or other benefits pursuant to an insurance policy, knowing that the statements contained false, incomplete, or misleading information concerning facts material to the claim, conferring a benefit unto himself of \$2,230.32. On 4/10/09, Crowdus was charged with one felony count of fraudulent insurance acts in Boone District Court. On 5/15/09, he pled guilty to the amended misdemeanor charge of criminal attempt to fraudulent insurance acts and was sentenced to 365 days conditionally discharged for two years; was ordered to pay court costs of \$154.00, and restitution in the amount of \$2,230.32 which has since been paid. He also surrendered his insurance license.

**Shannon Howard** – On or about 3/28/03 and 4/2/03, Howard presented a fake certificate of property insurance and a fake letter from an insurance agency to Alliance Home Loans, which in turn presented it to Decision One Mortgage to secure a home mortgage. On 6/21/04, Howard was indicted on one felony count of fraudulent insurance acts in Carter Circuit Court. On 3/13/09, Howard entered a guilty plea, and on 5/4/09, Howard was sentenced to one year in prison diverted for one year and ordered to pay court costs of \$155 to be paid on or before 11/16/09. She was also ordered to report to the probation officer for a minimum of six months; pay a supervision fee of \$25 per month; and comply with normal conditions of probation.

**Gregory Scott Spicer** – On 5/7/08, Spicer presented a forged/false and/or altered proof of insurance card to the Fayette County Clerk as proof of insurance in order to renew his registration on his vehicle. On 7/15/08, Spicer presented the same forged/false and/or altered proof of insurance card as proof of insurance to an auto dealer for the purpose of purchasing a vehicle. On 3/31/09, Spicer was charged with one misdemeanor count of fraudulent insurance acts and one felony count of criminal possession of a forged instrument 2<sup>nd</sup> in Fayette District Court. On 6/4/09, he entered guilty pleas to the misdemeanor fraudulent insurance acts and the amended misdemeanor charge of criminal possession of a forged instrument 3<sup>rd</sup>. He was sentenced to 90 days probated for two years; ordered to pay court costs of \$154.00, and a fine in the amount of \$750.00 for investigative expenses to the Fraud Division, both to be paid by 8/20/09.

**Andrew Whaley** - Between 7/13/04 and 7/20/04, Whaley, acting alone or in complicity with Damon Churchill, presented a claim to Nationwide for damage to Churchill's 1993 Mercedes as a result of an accident. However, approximately one month before, Churchill presented a claim to Safe Auto for identical damage to the same vehicle. On 6/30/05, Whaley was indicted on one felony count of fraudulent insurance acts in Jefferson Circuit Court. A warrant for his arrest was issued on 7/7/05; he

was arrested and arraigned on 2/16/09. On 3/23/09, Whaley entered a guilty plea and was sentenced to three years diverted for five years. He was ordered to pay \$25 monthly supervision fee, restitution in the amount of \$71.74 plus 5 percent per annum interest at a minimum monthly payment rate of \$125, jointly and severally with co-defendant Damon Churchill. He also waived his right to seek an expungement and this charge and any associated records shall not be expunged.

**Robert Whiteside** – On or about 11/22/04, Whiteside, a corrections officer with the Jefferson County Corrections Department, presented to State Farm Fire and Casualty Company, false and/or altered documents in support of an insurance claim, knowing that the documents contained false, incomplete or misleading information. Specifically, Whiteside submitted an altered receipt totaling \$3,965.00 for chrome rims and tires, allegedly stolen as a result of his home being burglarized, and for which he was paid by State Farm. After a trial by jury beginning 4/14/09, a guilty verdict was returned for one felony count of fraudulent insurance acts. On 6/10/09, Whiteside was sentenced to two years probated for five years. He was ordered to pay court costs of \$130.00; a probation supervision fee of \$15.00 per month beginning 7/1/09; restitution in the amount of \$3,965.00 to State Farm Insurance beginning 7/1/09; a 5 percent fee to the Circuit Clerk for collection and interest at 8 percent per annum until paid in full; a fine to the court in the amount of \$7,930.00 ( $\$3,965 \times 2$ ) at the rate of \$250.00 per month beginning 11/1/2010; and a fine in the amount of \$806.00 for investigative expenses to the Insurance Fraud Investigation Division beginning 11/1/2010. All fines and restitution payments will be supervised by Probation and Parole with Whiteside being released from supervised probation and any remaining sentence shall be conditionally discharged.